

ACCOUNTING AND CREATIVITY: A SOCIOLOGICAL AND PSYCHOLOGICAL APPROACH

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This article presents aspects related to creativity in accounting. In our approach we started from theoretical aspects regarding the position of accounting in the field of scientific knowledge. The paper aims to justify these positions (as a language of communication, communication tool, social game), and from there to mirror the way of expressing creativity in accounting.

In terms of research methodology, we have appealed to a qualitative research inspired by sociology and psychology.

The sociological survey shows the vision of society related to creators, the way in which it admits or rejects them. The sociological approach allows us to understand the importance of collective consciousness in assessing and maintaining the creation.

The psychological study regarding the creator describes a creature endowed with an excessive sensitivity, accompanied by a worker with permanent activity, but who is constantly gripped by an "existential doubt". In conclusion, the consultant or the researcher will have to recognise the creator's right to be wrong and surround him with a climate of confidence.

This paper shows that there is a path where the one who talks to numbers (and does not have the skill of words) and those who possess the mastery of words actually meet.

This paper is part of the PhD research entitled: Identifying and motivation of creative accounting practices – the case of Romanian listed companies, carried out under the guidance of PhD Prof. Feleaga Liliana, research carried out within the framework of the Bucharest Academy of Economic Studies.

Keywords : language figures, social game, creative approach, creative accounting, human capital

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1.Introduction

This paper is part of the PhD research entitled: Identifying and motivation of creative accounting practices – the case of Romanian listed companies, carried out under the guidance of PhD Prof. Feleaga Liliana, research carried out within the framework of the Bucharest Academy of Economic Studies. The research theme approached in this article makes reference to the existence and the manifestation forms of creation within a company. Lately, a series of companies have asked the question regarding creation within organisation and tried first to identify and manage creation through intangible capital. However, in real life, creation seems to be excluded from the accounting and the control system of the enterprise. But can it be excluded within the enterprise? Apparently the answer is yes. However, the industrial revolution and the enterprise were the first to give a particular status to creation and creator.

Research methodology

In drafting this paper we have appealed to a qualitative research inspired by sociology and psychology. The sociological approach allows us to understand the importance of collective consciousness in assessing and maintaining the creation.

The psychological study regarding the creator describes a creature endowed with an excessive sensitivity, accompanied by a worker with permanent activity, but who is constantly gripped by an “existential doubt”.

Whereas one of the characteristics of the late twentieth century is precisely the worldwide dissemination of information, the distribution and access to information implies strategic and organisational changes. These changes have caused an increase of the share of immaterial. Through this work we tried to show that there is a path where the one who talks to numbers (and does not have the skill of words) and those who possess the mastery of words actually meet.

2. From numbers and communication language towards the information system

Accounting is the main source of information available to enterprises. It is required both for local enterprises as well as for those that operate on multiple continents. This universality of needing the accounting act calls for the universality of another system, that of communication language.

Language is not required by a decree, it bursts spontaneously, develops in small steps and is progressively structured, managing to establish a logical coherence that can be understood, explained and taught a posteriori. This is the case of accounting, within which has developed an accounting process (this explains why the accounting process is inductive rather than deductive.)

On one hand, just like any idiom, accounting has its own language and is subject to principles, regulations and standards. These principles underlie the accounting system in all countries. However, interpreting and transposing them into regulations and standards may constitute an approach that varies from one country to another. For example, the principle of prudence depends on the social and cultural context which can lead to incomparable results between a French company and a British one of the same size and belonging to the same business segment. Thus, one might ask, is it really necessary a single language with the same principles, regulations and standards, or is it possible for multiple languages to coexist? These questions were put forward regarding the international normalization and thus, a common language was chosen.

On the other hand, just like any type of language, accounting is a communication tool.

First, both at national and international level, accounting favours a form of expression (a conceptual framework), according to its speakers. In the U.S., the information is aimed at investors and the conceptual framework is an economic one. Secondly, accounting favours a form of expression that takes into account regulatory constraints, shaping the content or the form of financial statements within the target of a particular outcome (reducing losses, increasing the results - this technique is called “window-dressing” or “creative accounting”).

What is the purpose of accounting? Colasse (1996) defines accounting stressing that it “is not a simple technique for recording facts in the process of the enterprise, the accountants get involved, are invested and bring their own interpretation of reality and vision in what concerns the enterprise. They offer that vision they appreciate as compliant with defending their interests in the context of relationships they maintain with other economic and social actors.” By taking part in building a reality, accounting creates an image of the enterprise, while still being aware there are several interpretations.

Accounting is language and due to this language it projects a picture of the economic reality. This image is built by taking into account events (Lambert and Sponem, 2005) or taking the events into consideration, in terms of accounting, invests it with an economic existence

Within a company, “the management tools”, especially accounting, are not considered to be noble, but because the figures may be placed in the center of any organisation, this results in changes made within the organisation, even within the company.

According to Supiot, expert in labour rights, “the reign of figures has come to replace the authority of law” : “Even the States have come to obey the same operation regulations followed by the enterprises that operate on competitive markets. I mean they have to respond to encrypted

signals, which, just like market prices, would represent a true picture of the world in which it operates. This doctrine has strongly influenced the reforms adopted over the last ten years within the public segment, in the name of “governance”, management.” (Supiot, 2010:83)

Supiot draws attention that “measuring” should not be mistaken for “evaluation” as this could lead to “a loss of the sense of measure.”

The fact that a lawyer is interested in managing numbers and accounting issues shows that figures are placed in the centre of any organization. Although management sciences are still in an early stage, they are interacting with other social sciences (sociology, economics, law), paradoxically influencing these other sciences.

This “language of numbers” can lead us towards a financial heritage to the disadvantage of a cultural one. But managers’ paths often meet other paths, resulting in alternatives to the “language of numbers” which may inspire some people to use it as other possible resources.

The language of numbers requires a person to “listen”, an interlocutor; it makes no sense only if “the Other” is there. Often while handling management issues it is said that sensitivity does not belong there. However, we have to think using all sensitivity we can get in any event to listen, to see, to feel the presence of “the Other”. Just like a human adventure, the scientific adventure feeds on emotions, metaphors, philosophical, cultural and metaphysical references. This way it can be noticed the essential role played by this emotional part in elaborating, accepting or rejecting new ideas, in indifference or enthusiasm evoked by their implications. “As an accountant, the author states, numbers are talking to me, but I need to translate them into words and phrases.

Making reference to the pragmatic side of accounting, it is seen as an information system that favours the production and dissemination of information while making a decision. At the level of an organisation, according to Ionaşcu (2003:33), accounting is the most important element of the information system, because: i) most microeconomic decisions are taken based on information provided by accounting, ii) it allows managers and external users of information to get a picture of the whole organisation, iii) connects with other components of the enterprise information system by integrating information regarding these activities in a common data base.

3. Accounting – a social game

Certainly, accounting is the product of social history. Is it possible to have an impact on social history? Taking into account that there are several images of economic representation, accounting evokes revealing items, especially in its moments of silence or when it does not take into consideration the events in question.

Starting from the definition of social sciences as cultural sciences that deal with a person’s activities as member of a group, accounting is a scientific discipline in the field of social sciences because: i) it is a creation of the human being as a response to certain practical needs; ii) reflects events, activities and social actions; iii) it sets as target different groups of users that are part of society; iv) produces financial statements that provide information for making decisions which have an impact on individual behaviour; v) it is influenced by the economic, social, legal and political environment, i.e. social phenomena.

The accounting model that reflects a social organisation is part of the current created by Hopwood, along with the magazine “Accounting, Organizations and Society”. For them, analysing accounting means understanding its share of social vision: What is the role of accounting in achieving what the participants within an organisation consider to be necessary and possible? Can it take part in creating particular concepts of organisational time? If the answer is positive, then what are the effects? How and when does the accounting of organisational performance give rise to action? How does accounting contribute to the establishment of an organisational mission and by which means the partial and private schemes of organisational

visibility that it creates facilitate the taking over of control within the organisation, in technical or social terms? In what way does the information provided by accounting in an ordinary (routine) manner stay in contact with the multitude of information fields at decision-making level that characterizes the life of the organisation? In other words, is it possible for accounting to gain significant organisational valences? (Richard, 2005: 259).

Hopwood proposes analysing accounting from organisational and social point of view. In his case as well as in that of other researchers, accounting is a social and organisational phenomenon. It interacts with the historical, social and organisational framework so that nature can be defined only in relation to this framework.

The social role of accounting is given by the fact that based on accounting information which is the most important element of the organisation's information system, decisions are taken and they affect the wealth of individuals and social groups. Thus, accounting has become a "social game", involving many participants (managers of enterprises, financial intermediaries, shareholders, creditors, etc.). Also within it, rules are distinguished (imposed by the courts of accounting normalization that exist on a national and international level) and a stake, represented by wealth. The winners of this game are those who are better informed and possess relevant and reliable accounting information.

4. What is creativity in accounting?

To meditate on the relationship between management and creation means working on paradoxes because it is hard to value immaterial and the one who takes the risk of doing it does not know if the investment brings the expected result. Is it true that in accounting the number is the center of any decision, but can we depreciate the value of a creation due to the fact that it does not produce any financial value? In the field of creation, the managers are in a difficult position, that of justifying the choices they make (does a certain author deserve to be published, do we continue to publish his books? etc.), thus the manager finds himself in the position of a "creation guide".

Because accounting encounters difficulties in valorising creation, the manager asks questions on this tool. He is forced to make up, to give a value to a certain extent. He becomes aware of the valorising impact when he communicates it. After this first stage of valorising, the manager is able to present the situation to the management, employees, and shareholders. Next is the third stage; here the manager knows that through accounting he can speak the language of employees, shareholders and owners. He realizes that management provides an image to organisation, but meanwhile it also gives value to the participating parties. He understands that in order to invest, he must "believe" beyond the barriers of logic and he realizes that accounting tools offer a social vision with the ability to build. Focusing on creation means to become aware as an artist, scientist, that they may have an innovative idea which, even when it is materialised, it needs "the Other" who will support his project by presenting it to the organisation or the outlet. It is a cooperation assembly.

However, creation belongs to this invisible part, inaccessible to accounting, which may create a conflict of non-commercial values; that is why the manager's role as "creation guide" becomes important, being able to promote creations on the commercial market, even if these do not make profit in the sense of the market. These managers are necessary to create a cultural field, relying on the financial segment. All of these supports the idea of creating other possibilities of expressing the language of numbers, supporting the creative act which aims to awake the human conscience. In this context, management appears as a pertinent way allowing us the access to this "essential", currently in creation. Management shapes a social and economic model.

In accounting, creativity has been locked, from legal perspective, as in the case of patents (inventions), but on the other hand, the creative aspect of accounting is strongly emphasized, being identified and evaluated in the case of information systems. In France, the activities that are

related to creation are either registered as sales services rendered “Charges” or as intangible assets (paying rent, research and development costs, concessions, licenses, trademarks, software, similar rights and assets, goodwill). Research and development costs are included exceptionally in the balance sheet of the enterprise or organisation.

The costs involved by the project may be recorded in accounting on the assets level, if they refer to net individualised projects which clearly show the guaranteed success in the commercial and technical profitability. Costs related to research are recorded in sales services rendered.

However, paradoxically, the more a company is investing in internal development of creation, the faster it decreases its potential in terms of accounting.

If in what concerns accounting, it is a language, could it be possible to take into account this intangible process that contains a grain of creation? Indeed, generally speaking, one of the characteristics of the late twentieth century is precisely the worldwide dissemination of information. The distribution and access to information implies strategic and organisational changes. These changes cause an increase of the share of immaterial. “Immaterial” may take different shapes: the intangible immaterial as “brand”, quasi-tangible as software, formal reproducible as “logo” which can be reproducible, in the patent case between sustainable and instantly and audience fee or the market, science, expertise, skill, professional training and creation share.

All members, clerks and managers of a company may be appointed by the term “human capital”, but this capital is more important than the sum of all these elements. The notion of “human capital” needs to define the intelligence and dynamics of an organisation located in an environment that is in constant evolution. Human capital also means the creation and innovation of the organisation. Structural capital of enterprise is simultaneously the expression of human capital and its infrastructure. It can be breakdown into three categories: organisational capital, innovation capital and process-capital. Intangible capital may be detailed in the appendix which is part of the synthesis documents that form a unit, together with balance sheet and income statement.

Accounting generally remains very discreet in terms of creation. However, a number of companies have asked the question regarding creation within the enterprise and have tried, first of all, to identify and manage creation by means of intangible capital. However, in real life, creation seems to be excluded from accounting and control system within the enterprise. Can it be excluded within the enterprise? Apparently the answer is yes. However, the industrial revolution and the enterprise were the first to give a particular status to creation and creator.

One of the major criteria of intangible capital and, especially, that of creation, is to be regarded as unsafe, difficult to quantify and assess.

There are researchers who describe the “need to believe”, especially in those decisions related to investments in the intangible capital area. “The analysis of investment logic in terms of innovation leads to a paradoxical finding. Economic constraints restrain the enterprise’s actors (decision makers) from implementing resources that will allow them to put activities to some efficiency tests (tests, barriers): cost-effectiveness and profit are the purpose of the capitalist enterprise. But treating constraints implies in the dynamics of innovation a large part of beliefs, “magical thinking” (Alter 2000:35)

How much can someone interfere with the creativity management? What attitude may be taken towards creators? The two stories that are presented below, seen by Le Theule (2010:81), will help us give an answer to these questions:

“To have one’s head in the clouds” or how came to life the chaos theory?

Who has not walked besides a person that looks at the clouds, that he felt like floating in another world, different from the one we call “real”?

Who has not walked besides a human being, a woman, a child, who bends to pick a thrown piece of paper shouting: "It's going to be a wonderful postcard!" When we are able to manage to get out of the daily routine chain and have a look at this piece of paper, meant to be thrown, as a possible postcard, it is only then that we can feel this object is truly unique and special.

Creator is precisely this person "outside the world", who lives without sensing that he chisels the regulations in force. It is revealing the case of Feigenbaum, the physicist who invented the chaos theory. He walked by starlight and meditated on the clouds he saw from an airplane window, creating real scientific corridors above the laboratory and, while meditating on these matters considered to be unproductive, actually he was about to develop the chaos theory.

"An eccentric people" or how can we favour random growth?

It's about the experience lived in the 1950s, within the "acquiring human brains" enterprise in U.S. Air Force, reported by Nasar, the main protagonist of this experiment. He devised a plan which favoured "casual, accidental encounters". He believed that people, scientists, mathematicians, had to be left to work quietly, without external constraints and he completely believed in the basic research. People around him had the impression that this section of the enterprise was populated by eccentric creatures who acted freely, without being controlled in any way, without formal approval to publish a memoir.

Taking these two examples as point of departure, can be underline the importance of the role that a consultant and other decision actors within the company have in connection with the promotion of creators and creative organisations.

5. Conclusions

Philosophical, psychological and sociological research on creation, that were discussed previously, allows us to elaborate a more specific study on the role played by the researcher compared to creators, to perform a symbolic recognition of creators and to accompany them step by step on this complex path of creation and innovation.

The sociological survey shows the vision of society related to creators, the way in which it admits or rejects them. One of the first roles of the consultant and researcher is to symbolically acknowledge the creators, to stop labelling them as "dreamers". This will allow them to gradually be accepted by the social body of the enterprise. The psychological study regarding the creator describes a creature endowed with an excessive sensitivity, accompanied by a worker with permanent activity, but who is constantly gripped by an "existential doubt". In conclusion, the consultant or the researcher will have to recognise the creator's right to be wrong and surround him with a climate of confidence.

The sociological approach allows us to understand the importance of collective consciousness in assessing and maintaining the creation, therefore, the consultant has also the role to create a link between company and creator, to cause, even generate empathy from society. The role of the creator's companion possessed by other actors of the organisation approaches a form of control, but it should be viewed in a different aspect from the classic one. (that of result standardisation). It is about a "laxative" control, based on confidence in the creator's self-control ability.

Paradoxically, the creator needs complete freedom, but at the same time he needs support from society. On the other hand, accounting is a complex pattern of representation, a social object, but at the same time, taking into account Foucault's analysis (1969), on this pattern, he invites us to take a look at those issues that are hidden by the pattern, made invisible. According to researchers, such as T. Porter, objectivity defined by numbers tends to impose over the objectivity determined by a person's intrinsic qualities. Let us meditate upon Antoine de Saint-Exupéry's *Little Prince* (1946): "I have serious reason to believe that the planet from which the *Little Prince* came is the asteroid B 612 ... If I have given you this number, I did it because of the grown ups. Grown ups like numbers."

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